

12 June 1970

MEMO FOR THE RECORD

SUBJECT: Monetary Value of Privileges Now Granted FBIS TCNs

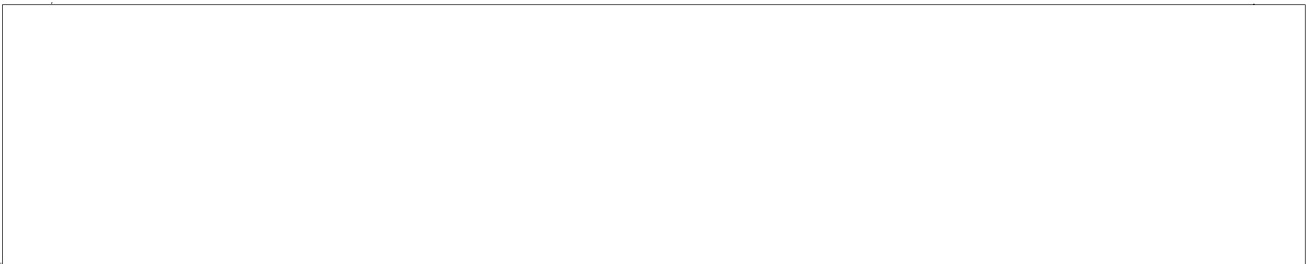
1. Exchange and Commissary Facilities: Previously, I would have estimated the value of these facilities at up to 20 percent of an employee's annual salary. Discreet investigation with TCNs, however, leads me to reduce that estimate. Except for jewelry, cigarettes, women's makeup, appliances, and luxury items, off-base prices are competitive. Americans usually cannot find sizes to fit them, but TCNs usually can. Food costs depend on individual taste and are therefore difficult to judge. Prices for some items off-base are competitive. Canned goods, in particular U.S. brands, are more expensive off-base but fruit in season and some staples are sometimes less expensive so they tend to balance out. Nonetheless, I would estimate this privilege is worth 10 percent of an employee's pay.

2. APO Facilities: Convenient, but except for a few who order goods from Sears, has insignificant monetary value.

3. Duty Free Imports: Again, very convenient and could be costly if we had to reimburse foreign import duties for official travel, but in actual practice hardly any import duty is charged by Japanese or GRI for personal goods, except luxury items and POVs, and our TCNs seldom ship such items.

4. Schooling: FBIS now pays tuition to U.S. military schools, and if use of them were denied our TCNs the same allowance would then be available to be paid to other schools or to individual employees. School costs off-base are somewhat higher, so I would value this privilege at about 4 percent of the employee's pay.

5. Medical Facilities: Medical and dental costs are much higher off-base for foreigners because they normally use foreign-trained doctors. I would estimate the value of this privilege at around 6 percent of an employee's annual pay.



STAT

STAT

Chief, Okinawa Bureau, FBIS